GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3345
ANSWERED ON:12.05.2006
MICRO FINANCE TO SHGS
Nayak Shri Ananta

Will the Minister of FINANCE be pleased to state:

(a) whether the National Bank for Agriculture and Rural Development (NABARD) is extending micro finance to the Self Help Groups (SHGs);

(b) if so, the amount of such assistance extended to SHGs during trie last three years;

(c) whether the certificates have been furnished by each SHG on the utilisation of credit received from NABARD; and

(d) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a): NABARD does not extend finance to SHGs directly. Banks extend finance to SHGs and submit claims for availing refinance from NABARD for their lending to SHGs.

(b): Amount of assistance extended to SHGs by banks as also NABARD`s refinance extended to banks for the purpose during the last three years is as under:-

Year	No. of SHGs financed by banks	Bank Loan (Rs. Crore)	NABARD`s refinance (Rs. Crore)
2002-03	255882	1022.30	622.47
2003-04	361731	1855.50	705.44
2004-05	539365	2994.20	967.76
2005-06 (Provisional)	482336	3094.61	1055.42
Cumulative since 1992	2100792	9993.08	4141.33

(c) and (d): Banks extend credit to SHGs based on their saving as well as the demand for loan from SHGs. The amount of bank loan is credited to the bank account of the SHGs. The SHG on-lends to its members based on Members` loan requirement. The bank branch is able to get details of utilization of credit by studying the bank accounts of SHGs. As NABARD does not extend credit to SHGs directly, SHGs do not furnish any certificate on utilization of credit to NABARD.